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MEMORANDUM FOR: Chiefs of Station, Chiefs of Base, []
Installations

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SUBJECT : Employment of Servants by Chiefs of Base

1. During the past few months the Finance Division and the Audit Staff have filed a number of exceptions concerning servants employed by Base Chiefs. The purpose of this memorandum is to review KUBARK policy in this regard, and to clarify any confusion which may exist.

2. A representation allowance is granted for the sole purpose of enhancing the prestige and furthering the general interests of [] and the specific interests of KUBARK. It is not granted for the purpose of promoting general social activities except where these are directly related to the primary objective. It is expected that all employees, including Chiefs of Station and Base, will pay from their personal funds the salary and other costs associated with household servants employed for the normal living and entertainment which is a part of the normal social pattern affecting other PRISM employees in the same general [] situation. An exception will normally be granted to a Chief of Station, because experience has shown that he will have substantial entertainment requirements which are attributable to his position as senior KUBARK representative, [] and his overall relationship to officials of the host country and the diplomatic community. Because these requirements are of a continuing and significant nature, a Station Chief's representation allowance usually includes the authority to employ extra servants, at KUBARK expense, when the entertainment requirements cannot be handled by the servants employed for his normal family requirements.

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3. Headquarters recognizes that Base Chiefs may also have entertainment requirements, but, with a few notable exceptions, they are not of a continuing nature and would not require the employment of full-time servants beyond those the Base Chief employs for his family needs. For specific representational functions which do require additional servants, the Base Chief may employ a caterer or a part-time servant, subject to the normal review and approval with respect to the necessity and reasonableness of cost. In those exceptional cases where a Base Chief does, in fact, have continuing and significant requirements for representational entertainment, a request for an exception to the general policy may be submitted to the DD/P through the Chief of Station and the Chief, [] Division. Such requests must provide detailed justification.

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4. Our review of the audit exceptions has led to the conclusion that there may be a few other instances where Base Chiefs have employed extra servants under the representational allowances. These are probably due to the fact a Base Chief's representation letter neither authorizes nor prohibits the employment of servants, and individual interpretations of the representational function have included the need for servants. It is also possible that the Base Chiefs may have acted on the advice of others who were presumably in a better position to interpret the intent of the authority. In any event, we believe it is necessary to clarify the policy and thereby avoid situations which could require refunds.

5. Headquarters has carefully reviewed this problem, including those difficulties which would inevitably be encountered if we attempted to review those records, to identify all instances where misunderstandings may have existed. It has been determined that, through the end of September, 1963, exceptions will not be made for expenditures for extra servants if the costs are otherwise justified and reasonable. Beginning 1 October 1963, all prior interpretations which you may have received, either orally or in writing, are rescinded. After that date, household servants may not be employed at KUBARK expense unless that authority is specifically included in the Letter of Representation. Cost of servants employed for normal requirements may not be reimbursed.

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